GOVERNMENT OF INDIA
URBAN DEVELOPMENT AND POVERTY ALLEVATION
LOK SABHA

UNSTARRED QUESTION NO:6227
ANSWERED ON:06.05.2003
INTEREST RATES OF HUDCO
PUTTASWAMY GOWDA

Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVATION be pleased to state:

(a) whether it is a fact that HUDCO`s Local Head Office has been inaugurated in Bangalore recently;

(b) if so, the details thereof;

(c) whether the HUDCO is reducing its interest rate to less than 9.5 percent to give a fillip to housing and infrastructure projects; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT & POVERTY ALLEVIATION (SHRI PON RADHAKR)

(a): Yes, Sir.

(b): The Local Head Office of Housing & Urban Development Corporation Ltd. (HUDCO) has been inaugurated on 28th March, 2003.

(c)&(d): Interest rates for housing and infrastructure projects are decided by HUDCO depending upon market trends/cost of borrowing and are reviewed periodically. The present Financing Pattern of HUDCO is given at Annexure.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (c) & (d) OF LOK SABHA USQ.NO. 6227 FOR 6.5.2003.
FINANCING PATTERN

S. No.	All projects loans including take-out financing except EWS, Action Plan and HUDCO Niwas	Extent of Finance upto(%)	Interest rate(%)p.a.(net) 5 Years	10 Years	15 Years
A	Public Agencies	85	10.00	10.25	10.75
	Direct Borrowing by Govt. and Police Organisations	100	10.00	10.25	10.50
B	Private Agencies/Co-operative Agencies				
i)	Mortgage, Escrow with struc-tured repayment.	70	11.00	11.50	11.75
ii)	Mortgage with separate project account	70	11.50	11.75	12.00

Note:-in case of Private Agencies, the Regional Chief canincrease the rate of interest depending on the risk factor. For Co-generation projects the extent of loan is 80% for Govt. Gurarantee Schemes and 60% for other type of securities. Interest rate for co-generation project shall be same for urban infrastructure scheme.

The Private sector loan of more than Rs.50 crore shall be on consortium basis, subject to the extent of financing limit not exceeding 50% of project cost.

GENERAL NOTES

1. Interest rates will be at 10% for EWS, Action Plan Schemes, Building Centre and NGO (EWS Housing only) schemes.

2. The agency will depost no-refundable application fee alongwith the application for loan and the front-end-fee which may be either

paid by the agency in advance or adjusted from the first release after issue of sanction letter.

Nature of Scheme	Percentage (%) of Loan Amount	
	Application Fee#	Front End Fee
EWS,LIG, Action Plan Schemes and NGO	0.10	0.25
All other schemes	0.10	0.50

Subject to minimum of Rs.10,000/- and maximum of Rs.1.00 lakh with rounding off to next slab of Rs.10,000/-. For Loan amount more than Rs.50 crore, the front end fee will be charged @ 0.25.

Note: No R&D fee charged.

3. In the case of consortium funding, the terms and conditions would be as per terms and conditions of the Lead consortium partners.

4. Joint Sector Agencies having more than 26% equity from Government will be charged the rate as applicable for Public Agencies. The balance joint sector agencies will be charged rate applicable for private agencies.